

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

01-008

2. STATE
IDAHO

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902(a)(10)(A)(ii)(XVIII) of the Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ -0-

b. FFY 2002 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Page 29

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D, Page 29

10. SUBJECT OF AMENDMENT:

Continuation of Legislative Rate Freeze on ICF/MR's and Special Rates

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED:

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

KARL B. KURTZ

14. TITLE:

Director

15. DATE SUBMITTED:

June 12, 2001

16. RETURN TO:

Joseph R. Brunson, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
PO Box 83720
Boise ID 83720-0036

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

JUN 14 2001

18. DATE APPROVED:

JUL 20 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 1 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

TRISA L. TRIMBLE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID

23. REMARKS:

DATE: 6/12/01
(DATE)

Boise
(CITY/STATE)

the following components: Property reimbursement, capped costs, an efficiency increment, exempt costs, excluded costs. Notwithstanding the provisions of Section 56-113, Idaho Code, it is the intent of the Idaho Legislature that for the period July 1, 2000, through June 30, 2002, rates, including special rates of private intermediate care facilities for the mentally retarded, shall not exceed the rates in effect in state fiscal year 2000 (July 1, 1999 through June 30, 2000).

241. PRINCIPLE.

Providers of ICF/MR facilities will be paid a per diem rate which, with certain exceptions, is not subject to an audit settlement. The per diem rate for a fiscal period will be based on audited historical costs adjusted for inflation. The provider will report these cost items in accordance with other provisions of this chapter or the applicable provisions of PRM to the extent not inconsistent with this chapter.

242. PROPERTY REIMBURSEMENT.

Beginning October 1, 1996, ICF/MR property costs are reimbursed by a rental rate or based on cost. The following shall be reimbursed based on cost as determined by the provisions of this chapter and applicable provisions of PRM to the extent not consistent with this chapter: ICF/MR living unit property taxes, ICF/MR living unit property insurance, and major movable equipment not related to home office or day treatment services. Reimbursement of other property costs is included in the property rental rate. Any property cost related to home offices and day treatment services are not considered property costs and shall not be reported in the property cost portion of the cost report. These costs shall be reported in the home office and day treatment section of the cost report. Property costs, including costs which are reimbursed based on a rental rate, shall be reported in the property cost portion of the cost report. The Department may require and utilize an appraisal to establish those components of property costs which are identified as an integral part of an appraisal. Property costs include the following components:

01. **Depreciation.** Allowable depreciation based on straight line depreciation.
02. **Interest.** All allowable interest expense which relates to financing depreciable assets. Interest on working capital loans is not a property cost and is subject to the cap.
03. **Property Insurance.** All allowable property insurance. Malpractice insurance, workmen's compensation and other employee-related insurances are not property costs.
04. **Lease Payments.** All allowable lease or rental payments.
05. **Property Taxes.** All allowable property taxes.
06. **Costs of Related Party Leases.** Costs of related party leases are to be reported in the property costs categories based on the owner's costs.

243. ICF/MR CAPPED COST.

Beginning October 1, 1996, this cost area includes all allowable costs except those specifically identified as property costs in Section 242 and exempt costs or excluded costs in Section 246 or 247 of these rules. This Section defines items and procedures to be followed in determining this limit and provides the procedures for extracting cost data from historical cost reports, applying a cost forecasting market basket to project cost forward, procedures to be followed to project costs forward, and procedures for computing the median of the range of costs and the ICF/MR cap.

01. **Costs Subject to the Cap.** Items subject to the cap include all allowable costs except property costs identified in Section 242 and exempt costs or excluded costs identified in Section 246 or 247 of these rules. Property costs related to a home office are administrative costs, shall not be reported as property costs, and are subject to the cap.
02. **Per Diem Costs.** Costs to be included in this category will be divided by the total patient days for the facility for the cost of reporting period to arrive at allowable per diem costs. If costs for services provided some or all non-Medicaid residents are not included in the total costs submitted, the provider must determine the costs and combine them with the submitted costs in order that a total per diem cost for that facility can be determined both for the purpose of determining the ICF/MR cap and for computing final reimbursement.

TN#: 01-008

Date Approved: 7-20-01

Supersedes TN#: 00-012

Effective Date: July 1, 2001